

CHAPTER NO. 915

SENATE BILL NO. 2769

By McNally, Kurita

Substituted for: House Bill No. 2379

By Rhinehart, Eckles, Curtiss

AN ACT To amend Tennessee Code Annotated, Title 56 and Title 71, Chapter 5, relative to the administration of pharmacy benefits under certain health benefit plans.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known and may be cited as the "Standardized Pharmacy Benefit Identification Card Act".

SECTION 2. (a) Every health benefit plan that provides coverage for prescription drugs or devices or services, or administers such a plan, including but not limited to health maintenance organizations, third party administrators for self insured plans and state administered plans, shall issue to each insured a card or other technology containing standardized pharmacy benefit identification information. The card shall contain at a minimum the following information:

(1) The health benefit plan's name and issuer identifier;

(2) The American National Standards Institute Issuer Identification Number assigned to the administrator or pharmacy benefit manager of the plan, when required for proper claims adjudication;

(3) The processor control number, when required for proper claims adjudication;

(4) The insured's group number, when required for proper claims adjudication;

(5) The insured's identification number;

(6) The insured's name; and

(A) The names of all other persons included under the subscriber's coverage and individual identification number information if applicable and required for pharmacy claims processing; or

(B) If a separate card is issued for each person included under the subscriber's coverage, the name of the covered person for whom such card is issued may be listed in lieu of the information required by item (A) above.

(b) This section does not require a health benefit plan to issue an identification card separate from any identification card issued to an enrollee to evidence coverage, under the health benefit plan, if the identification card contains the elements required by subsection (a).

(c) The Health Insurance Portability and Accountability Act (HIPAA) adopted identifiers may be used in lieu of any element listed in subsection (a) at such time that use of such HIPAA identifier is adopted as the standard.

(d) So as to ensure that insurance identification cards issued under this section contain accurate and updated information, each insurer shall provide each subscriber with a new insurance identification card within a reasonable time whenever the American National Standards Institute Issuer Identification Number, the group number or the processor control number is changed.

(e) As used in this section, "health benefit plan" means an accident and health insurance policy or certificate; a non-profit hospital or medical service corporation contract; a health maintenance organization subscriber contract or a plan provided by a multiple employer welfare arrangement. Without limitation, "health benefit plan" does not mean any of the following types of insurance:

- (1) Accident;
- (2) Credit;
- (3) Disability income;
- (4) Specified disease coverage issued as a supplement;
- (5) Dental or vision;
- (6) Coverage issued as a supplement to liability insurance;
- (7) Medical payments under automobile or homeowners;
- (8) Insurance under which benefits are payable with or without regard to fault and this is statutorily required to be contained in any liability policy or equivalent self-insurance;
- (9) Hospital income or indemnity; or
- (10) Long term care.

SECTION 3. The provisions of this act shall be void and of no effect unless sufficient funds are appropriated in the General Appropriation Act to meet estimated first year's funding.

SECTION 4. (a) This act shall take effect on becoming a law, the public welfare requiring it, and shall apply to health benefit plans that are delivered, issued for delivery, or renewed on and after July 1, 2001. For purposes of this act, renewal of a health benefit policy, contract, or plan is presumed to occur on each anniversary of the date on which coverage was first effective on the person or persons covered by the health benefit plan.

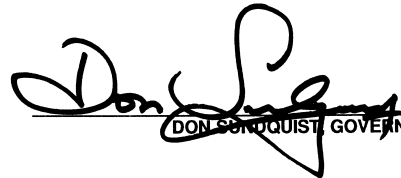
(b) Enforcement of this act shall be the responsibility of the Commissioner of Commerce and Insurance. In accordance with the Uniform Administrative Procedures Act, the commissioner shall promulgate rules necessary to effectuate this act. Any health benefit plan found to be in noncompliance with this act shall be subject to the imposition of the penalties and other remedies set forth at Tennessee Code Annotated, Sections 56-1-801, 56-8-109, and 56-32-220.

PASSED: June 6, 2000


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 19th day of June 2000


DON SUNDQUIST, GOVERNOR